

United States Courts  
Southern District of Texas  
FILED

**Michael N. Milby, Clerk**

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**V.**

**C. A. NO. H-05-1268**

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## EXPERT WITNESSES

**1. William E. Junell, Jr.  
Schwartz, Junell, Greenberg & Oathout L.L.P.  
909 Fannin Street, Suite 2700  
Houston, Texas 77010  
Telephone: (713) 752-0017**

**2. Timothy Donovan**  
**Vice President-Product Design and Development**

**AIG/American General  
c/o David T. McDowell  
Bracewell & Giuliani, LLP  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002-2770  
Telephone: (713) 223-2300  
Facsimile: (713) 221-1212**

Mr. Donovan is a Vice President of AIG/American General in the Product Design and Development Department whose duties do not regularly involve giving expert testimony. He is not specifically employed or retained by American General to provide expert testimony. Mr. Donovan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries and has over 18 years of actuarial experience. Mr. Donovan's areas of expertise include the development and pricing of life insurance products. American General designates Mr. Donovan as an expert concerning actuarial information, including premium calculations and cost of insurance calculations relating to American General's damages. Mr. Donovan's opinions and the basis for those opinions are detailed in his report attached as Exhibit "B".

**3. D. Leigh Harrington  
Vice President-Product Design and Development  
AIG/American General  
c/o David T. McDowell  
Bracewell & Giuliani, LLP  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002-2770  
Telephone: (713) 223-2300  
Facsimile: (713) 221-1212**

Mr. Harrington is a Vice President of AIG/American General in the Product Design and Development Department whose duties do not regularly involve giving expert testimony. He is not specifically employed or retained by American General to provide expert testimony. Mr. Harrington is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries and has over 20 years of actuarial experience. Mr. Harrington's areas of expertise

include the development and pricing of life insurance products. American General designates Mr. Harrington as an expert concerning actuarial information, including premium calculations and cost of insurance calculations relating to American General's damages. Mr. Harrington's opinions and the basis for those opinions are incorporated in the report of Tim Donovan attached as Exhibit "B". A copy of his curriculum vitae can be found at Exhibit "C".

American General reserves the right to elicit expert testimony from any fact witness in this case who may prove through discovery to have expert opinions relevant to the issues in this lawsuit.

American General reserves the right to seek expert opinions by way of cross-examination or otherwise from any expert designated by Defendants to this lawsuit.

American General reserves the right to amend or supplement this Designation of Expert Witness with additional experts and/or additional opinions and conclusions as discovery in this case progresses.

Respectfully submitted,

BRACEWELL & GIULIANI LLP

By: David T. McDowell  
David T. McDowell  
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**ATTORNEY-IN-CHARGE FOR PLAINTIFF  
AMERICAN GENERAL LIFE INSURANCE  
COMPANY**

OF COUNSEL:

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### CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded by Certified Mail/Return Receipt Requested on this the 28<sup>th</sup> day of November, 2006 as follows:

Anthony Mercier, Jr.  
c/o Anthony Mercier Sr.  
P. O. Box 1506  
Augusta, Georgia 30903;

Anthony Mercier, Jr.  
c/o Anthony Mercier Sr.  
506 Georgia Avenue, #206  
North Augusta, South Carolina 29841

Anthony Mercier, Jr.  
c/o Anthony Mercier Sr.  
761 N. Martintown Road  
Edgefield, South Carolina 29824

Charles Mercier  
c/o Anthony Mercier Sr.  
P. O. Box 1506  
Augusta, Georgia 30903;

Charles Mercier  
c/o Anthony Mercier Sr.  
506 Georgia Avenue, #206  
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761 N. Martintown Road  
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Anthony Mercier, Sr.  
P. O. Box 1506  
Augusta, Georgia 30903;

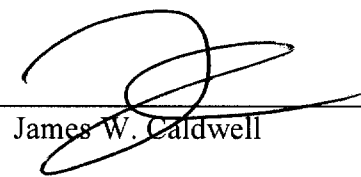
Anthony Mercier, Sr.  
506 Georgia Avenue, #206  
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Mercier Insurance Agency, Inc.  
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P. O. Box 1506  
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Mercier Insurance Agency, Inc.  
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506 Georgia Avenue, #206  
North Augusta, South Carolina 29841

Mercier Insurance Agency, Inc.  
c/o Anthony Mercier, Sr.  
761 N. Martintown Road  
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James W. Caldwell

# EXHIBIT A

## **WILLIAM E. JUNELL, JR.**

**410 Thamer Lane  
Houston, Texas 77024  
713/467-0241**

### **PROFESSIONAL**

Schwartz, Junell, Greenberg & Oathout, L.L.P.  
Two Houston Center  
909 Fannin, Suite 2000  
Houston, Texas 77010  
Telephone: (713) 276-3434 (direct)  
Facsimile: (713) 752-0017  
Personal email: [ejunell@schwartz-junell.com](mailto:ejunell@schwartz-junell.com)  
Firm website: [www.schwartz-junell.lawfirm.com](http://www.schwartz-junell.lawfirm.com)

### **EDUCATION**

University of Texas at Austin  
Doctor of Jurisprudence, September 1971

University of Texas at Austin  
Bachelor of Business Administration - Accounting, May 1968

### **EXPERIENCE**

1/97 - Present Schwartz, Junell, Greenberg & Oathout, L.L.P., Houston, Texas.

Partner since 1997. Experienced in state and federal courts in areas of general litigation with specialization in oil and gas, banking, contract, real estate, DTPA insurance and other commercial disputes.

6/88 - 12/96 Andrews & Kurth, L.L.P., Houston, Texas.

Partner in trial section since 1988. Experienced in state and federal courts in areas of general litigation with specialization in oil and gas, banking, contract, real estate, DTPA, insurance and other commercial disputes. Member of the A&K Management Committee (1992-1993) and head of the A&K Litigation Section (1994-1997).

7/71 - 6/88 Reynolds, Allen & Cook, Houston, Texas.

Partner in trial section since 1974. Experienced in state and federal courts in areas of general litigation with specialization in banking, contract, real estate, anti-trust, DTPA, insurance and other commercial disputes.



## **PROFESSIONAL RECOGNITION**

“The Best Lawyers in America” published by Woodward/White, Inc. (national peer review results reprinted in the March, 2001 - March, 2005 issues of *Inside Houston* magazine).

*Corporate Counsel* magazine (featured in May, 2003 issue).

*Super Lawyers - Texas Monthly* magazine (peer review results - 2003-2005)

Marquis *Who's Who in America* (2002-2003).

Martindale Hubbell - “AV” rated.

## **PROFESSIONAL ASSOCIATIONS**

- State Bar of Texas (September, 1971).
- Admitted to practice before the United States District Courts (Southern, Eastern, Western and Northern Districts of Texas).
- Admitted to practice before United States Supreme Court and U.S. Circuit Court of Appeals - Fifth Circuit.
- Fellow, American College of Trial Lawyers (2005 - present).
- Houston Bar Association, Board of Directors (1996 - present); Vice President (1998-1999).
- Houston Bar Association - Committees and Special Projects: Administration of Justice Committee (Chairman twice); Houston Volunteer Lawyers' Program (Chairman); Houston Lawyer Referral Service (member); Long Range Planning Committee (Chairman); 1998 Community Forum (Chairman); County Law Library Committee (Board Liaison and Chairman); Judicial Poll Committee (Chairman); HBA Finance Committee; HBA Legislative Committee (Chairman); Dispute Resolution Committee (Treasurer).
- State Bar of Texas: Grievance Committee; 1997 Annual Meeting Organization Committee (Chairman of the Welcome Party).
- American Bar Association - Litigation Section Annual Conference (Houston Host Committee - April, 2003).
- Texas Bar Foundation - Fellow (1986-present).

- Houston Bar Foundation - Sustaining Life Fellow.
- Houston Bar Foundation - Director; Treasurer (1994-1997).
- Lecturer, State Bar of Texas Professional Development Program.

#### **CIVIC AND CHARITABLE**

- Post Oak YMCA, Board of Directors (1986-1990).
- St. Luke's United Methodist Church, Administrative Board.
- Hunterwood Homeowners Association, Inc. (President, 1992-1993; Director, 1992 - 2003).
- Friends of Memorial Health Care System (1994-1996).
- University of Texas Ex-Students Association - Life Member.

# EXHIBIT B

## IDENTIFICATION

I, Timothy M Donovan, am an employee of American International Group. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I have 18 years of actuarial experience, much of which was related to individual life insurance product development. My current title is Vice President – Product Design and Development. I was asked to render an opinion on damages in connection with a block of Old Line Life Insurance Company and All American Life Insurance Company policies which may have been issued with underwriting which was not valid.

## BACKGROUND AND SCOPE

At the time of an insurance policy application, the insurance company collects data to determine the both the insurability and the appropriate rate class of the applicant. For this block of policies, it is assumed that the underwriting data collected for each policy was not valid. Therefore, it is reasonable to assume that the mortality experience of the block of policies would be closer to that of the general population.

The scope of this report is limited to estimating the excess of death claims based on population mortality over the death claims based on the mortality used to set the cost of insurance rates for the policies (pricing mortality).

The block reviewed was all policies issued which had agent of record as Anthony Mercier Sr., Anthony Mercier Jr. or Charles W Mercier Jr. which are still in force. A list of policies is included in Attachment 1. A summary of the policies is as follows:

50 Universal Life (UL) policies issued by Old Line Life and All American Life from 1999-2002.

10 Term policies issued by Old Line Life and All American Life from 1999-2002.

## METHODOLOGY

For each policy, the difference in the expected (population) mortality rate and pricing mortality rate was calculated each year from 12/1/06 through either the end of the level term period (term) or to the maturity date (UL). For the term policies, the difference is multiplied by the face amount of the policy to determine the dollar amount of the additional mortality. For the UL policies, the difference is multiplied by the net amount at risk (face amount less account value). These amounts were then present valued to 12/1/06 at the interest rate described below.

## ASSUMPTIONS

- a. The calculations were done for each policy.
- b. Any exposure to additional mortality risk prior to 12/1/06 was ignored.
- c. Present values were done as of 12/1/06.
- d. Present values were done using an interest rate of 5.5%, which is the investment yield rate for 7 year maturities as of 11/13/06 provided by the AIG Global Investment Group.
- e. The pricing mortality used in the calculations was the table in effect at the time the policy was issued. The UL policies which were issued on an age last birthday (8 of the 50) were valued as if they were issued on an age near birthday basis.
- f. Expected mortality was based on the 1991 population mortality table, extended past age 84 using the US 1979-81 population table as described in Appendix 2.
- g. The net amount at risk for each UL policy was graded linearly from the net amount at risk as of 12/1/06 to \$500 per \$1,000 of face amount at the maturity date.
- h. Any additional charges for extra mortality risks were ignored.
- i. Base runs were done using as assumption of 100% persistency. A sensitivity is shown using the original pricing assumption for lapse rates.


## RESULTS

The present values are shown using expected mortality of 100%, 150%, 200% and 300% of the population table. Using an expected mortality level greater than the population table is reasonable due to the potential for anti-selection which would be expected if the intent was to defraud the company during the underwriting process.

The following table shows the present value of the mortality differences

| No lapses                        | Expected Mortality<br>Percentage of 1991 Population Table |             |             |             |
|----------------------------------|-----------------------------------------------------------|-------------|-------------|-------------|
|                                  | 100%                                                      | 150%        | 200%        | 300%        |
| Term Policies                    | \$ 188,017                                                | \$ 300,809  | \$ 401,384  | \$ 708,430  |
| UL Policies                      | \$ 418,103                                                | \$ 948,009  | \$1,304,666 | \$2,106,743 |
| Total PV of additional mortality | \$ 606,120                                                | \$1,248,818 | \$1,706,050 | \$2,815,173 |

| Pricing Lapse Rates              | Expected Mortality<br>Percentage of 1991 Population Table |            |             |             |
|----------------------------------|-----------------------------------------------------------|------------|-------------|-------------|
|                                  | 100%                                                      | 150%       | 200%        | 300%        |
| Term Policies                    | \$ 107,499                                                | \$ 173,080 | \$ 233,382  | \$ 431,478  |
| UL Policies                      | \$ 378,016                                                | \$ 818,733 | \$1,152,567 | \$2,006,138 |
| Total PV of additional mortality | \$ 485,515                                                | \$ 991,813 | \$1,385,949 | \$2,437,616 |

  
\_\_\_\_\_  
Timothy M. Donovan FSA, MAAA  
Vice President AIG American General

11/28/06  
\_\_\_\_\_  
Date

#### RELIANCES

The following person(s) provided data and/or results used in this report:  
D Leigh Harrington, FSA, MAAA  
Vice President AIG American General

Appendix 1  
List of Policies

| All American Life |                                 |
|-------------------|---------------------------------|
| Policy Numbers    | Old Line Life<br>Policy Numbers |
| D0133856          | 2794645                         |
| D0136442          | 2794944                         |
| D0136603          | 2796810                         |
| 7 D0091669L       | 2797434                         |
| 7 D0093130L       | 2799407                         |
| 7 D0093230L       | 2803711                         |
| 7 D0093592L       | MM0365275                       |
| 7 D0094465L       | 5 2441374L                      |
| 7 D0094500L       | 5 2442111L                      |
| 7 D0094963L       | 5 2442190L                      |
| 7 D0095118L       | 5 2442269L                      |
|                   | 5 2442270L                      |
|                   | 5 2442294L                      |
|                   | 5 2442528L                      |
|                   | 5 2442539L                      |
|                   | 5 2442948L                      |
|                   | 5MD0002208L                     |
|                   | 5MD0009454L                     |
|                   | 5MD0009536L                     |
|                   | 5MD0013617L                     |
|                   | 5MD0013791L                     |
|                   | 5MD0014748L                     |
|                   | 5MD0014839L                     |
|                   | 5MD0014840L                     |
|                   | 5MD0014841L                     |
|                   | 5MM0134173L                     |
|                   | 5MM0146452L                     |
|                   | 5MM0158238L                     |
|                   | 5MM0162527L                     |
|                   | 5MM0168668L                     |
|                   | 5MM0171770L                     |
|                   | 5MM0171821L                     |
|                   | 5MM0179071L                     |
|                   | 5MM0179092L                     |
|                   | 5MM0179121L                     |
|                   | 5MM0179183L                     |
|                   | 5MM0179327L                     |
|                   | 5MM0179328L                     |
|                   | 5MM0197217L                     |
|                   | 5MM0198980L                     |
|                   | 5MM0210451L                     |
|                   | 5MM0211795L                     |
|                   | 5MM0218734L                     |
|                   | 5MM0231497L                     |
|                   | 5MM0249033L                     |
|                   | 5MM0276870L                     |
|                   | 5MM0292737L                     |
|                   | 5MM0326501L                     |
|                   | 5MM0326502L                     |

## Appendix 2

### 1991 Population Table

#### MALE

|                           |                                                                                                                                                                                                                                                                                                                          |         |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Table name:               | US 1991, Age Nearest, Male                                                                                                                                                                                                                                                                                               |         |
| Table number:             |                                                                                                                                                                                                                                                                                                                          | 587     |
| Table type:               | Aggregate                                                                                                                                                                                                                                                                                                                |         |
| Usage:                    | Population mortality                                                                                                                                                                                                                                                                                                     |         |
| Contributor:              | Roger Scott Lumsden 75147,2620                                                                                                                                                                                                                                                                                           |         |
| Country:                  | US                                                                                                                                                                                                                                                                                                                       |         |
| Source of data:           | Population data                                                                                                                                                                                                                                                                                                          |         |
| Volume of data:           | All male lives in 50 States plus D.C.                                                                                                                                                                                                                                                                                    |         |
| Observation period:       | 1991 for deaths, 1990 Census projected for exposures                                                                                                                                                                                                                                                                     |         |
| Unit of observation:      | Number of lives                                                                                                                                                                                                                                                                                                          |         |
| Construction method:      | Deaths of 1991 divided by US census population projected.<br>Final abridged life tables are for 5 year age bands.<br>The five year values are then interpolated from the abridged life tables.<br>Only lx's were given with radix 100,000<br>so higher age qx's may be uncertain on last digit<br>No values for ages 85+ |         |
| Published reference:      | National Center for Health Statistics<br>Vital statistics of the United States, 1991<br>vol ii, sec 6 life tables Table 6-2<br>Washington: Public Health Service. 1995                                                                                                                                                   |         |
| Comments:                 | Population table for the period.<br>These values have been checked by examining 1-3 differences<br>but have not been proofread. If you find any errors<br>please report them to Actuaries On Line                                                                                                                        |         |
| Minimum age:              |                                                                                                                                                                                                                                                                                                                          | 0       |
| Maximum age:              |                                                                                                                                                                                                                                                                                                                          | 84      |
| Number of decimal places: |                                                                                                                                                                                                                                                                                                                          | 5       |
| Age                       | rate                                                                                                                                                                                                                                                                                                                     |         |
| 0                         |                                                                                                                                                                                                                                                                                                                          | 0.00998 |
| 1                         |                                                                                                                                                                                                                                                                                                                          | 0.00077 |
| 2                         |                                                                                                                                                                                                                                                                                                                          | 0.00055 |
| 3                         |                                                                                                                                                                                                                                                                                                                          | 0.00040 |
| 4                         |                                                                                                                                                                                                                                                                                                                          | 0.00033 |
| 5                         |                                                                                                                                                                                                                                                                                                                          | 0.00029 |
| 6                         |                                                                                                                                                                                                                                                                                                                          | 0.00027 |
| 7                         |                                                                                                                                                                                                                                                                                                                          | 0.00025 |
| 8                         |                                                                                                                                                                                                                                                                                                                          | 0.00022 |
| 9                         |                                                                                                                                                                                                                                                                                                                          | 0.00019 |
| 10                        |                                                                                                                                                                                                                                                                                                                          | 0.00015 |
| 11                        |                                                                                                                                                                                                                                                                                                                          | 0.00016 |
| 12                        |                                                                                                                                                                                                                                                                                                                          | 0.00024 |
| 13                        |                                                                                                                                                                                                                                                                                                                          | 0.00042 |
| 14                        |                                                                                                                                                                                                                                                                                                                          | 0.00065 |
| 15                        |                                                                                                                                                                                                                                                                                                                          | 0.00091 |
| 16                        |                                                                                                                                                                                                                                                                                                                          | 0.00116 |



|    |         |
|----|---------|
| 17 | 0.00135 |
| 18 | 0.00147 |
| 19 | 0.00152 |
| 20 | 0.00156 |
| 21 | 0.00163 |
| 22 | 0.00167 |
| 23 | 0.00169 |
| 24 | 0.00173 |
| 25 | 0.00174 |
| 26 | 0.00176 |
| 27 | 0.00180 |
| 28 | 0.00186 |
| 29 | 0.00195 |
| 30 | 0.00205 |
| 31 | 0.00214 |
| 32 | 0.00223 |
| 33 | 0.00234 |
| 34 | 0.00245 |
| 35 | 0.00259 |
| 36 | 0.00272 |
| 37 | 0.00284 |
| 38 | 0.00295 |
| 39 | 0.00303 |
| 40 | 0.00312 |
| 41 | 0.00324 |
| 42 | 0.00341 |
| 43 | 0.00364 |
| 44 | 0.00392 |
| 45 | 0.00424 |
| 46 | 0.00459 |
| 47 | 0.00496 |
| 48 | 0.00532 |
| 49 | 0.00571 |
| 50 | 0.00613 |
| 51 | 0.00661 |
| 52 | 0.00721 |
| 53 | 0.00794 |
| 54 | 0.00878 |
| 55 | 0.00972 |
| 56 | 0.01071 |
| 57 | 0.01178 |
| 58 | 0.01293 |
| 59 | 0.01418 |
| 60 | 0.01551 |
| 61 | 0.01693 |
| 62 | 0.01845 |
| 63 | 0.02006 |
| 64 | 0.02179 |
| 65 | 0.02361 |
| 66 | 0.02557 |
| 67 | 0.02771 |
| 68 | 0.03007 |
| 69 | 0.03265 |
| 70 | 0.03543 |

|    |         |
|----|---------|
| 71 | 0.03839 |
| 72 | 0.04159 |
| 73 | 0.04503 |
| 74 | 0.04876 |
| 75 | 0.05280 |
| 76 | 0.05722 |
| 77 | 0.06207 |
| 78 | 0.06739 |
| 79 | 0.07329 |
| 80 | 0.07988 |
| 81 | 0.08728 |
| 82 | 0.09566 |
| 83 | 0.10529 |
| 84 | 0.11643 |

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### FEMALE

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|                           |                                                                                                                                                                                                                                                                                                                          |         |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Table name:               | US 1991, Age Nearest, Female                                                                                                                                                                                                                                                                                             |         |
| Table number:             |                                                                                                                                                                                                                                                                                                                          | 588     |
| Table type:               | Aggregate                                                                                                                                                                                                                                                                                                                |         |
| Usage:                    | Population mortality                                                                                                                                                                                                                                                                                                     |         |
| Contributor:              | Roger Scott Lumsden 75147,2620                                                                                                                                                                                                                                                                                           |         |
| Country:                  | US                                                                                                                                                                                                                                                                                                                       |         |
| Source of data:           | Population data                                                                                                                                                                                                                                                                                                          |         |
| Volume of data:           | All female lives in 50 States plus D.C.                                                                                                                                                                                                                                                                                  |         |
| Observation period:       | 1991 for deaths, 1990 Census projected for exposures                                                                                                                                                                                                                                                                     |         |
| Unit of observation:      | Number of lives                                                                                                                                                                                                                                                                                                          |         |
| Construction method:      | Deaths of 1991 divided by US census population projected.<br>Final abridged life tables are for 5 year age bands.<br>The five year values are then interpolated from the abridged life tables.<br>Only lx's were given with radix 100,000<br>so higher age qx's may be uncertain on last digit<br>No values for ages 85+ |         |
| Published reference:      | National Center for Health Statistics<br>Vital statistics of the United States, 1991<br>vol ii, sec 6 life tables Table 6-2<br>Washington: Public Health Service. 1995                                                                                                                                                   |         |
| Comments:                 | Population table for the period.<br>These values have been checked by examining 1-3 differences<br>but have not been proofread. If you find any errors<br>please report them to Actuaries On Line                                                                                                                        |         |
| Minimum age:              |                                                                                                                                                                                                                                                                                                                          | 0       |
| Maximum age:              |                                                                                                                                                                                                                                                                                                                          | 84      |
| Number of decimal places: |                                                                                                                                                                                                                                                                                                                          | 5       |
| Number of decimal places: |                                                                                                                                                                                                                                                                                                                          | 5       |
| Age                       | rate                                                                                                                                                                                                                                                                                                                     |         |
| 1                         |                                                                                                                                                                                                                                                                                                                          | 0.00058 |
| 2                         |                                                                                                                                                                                                                                                                                                                          | 0.00045 |

|    |         |
|----|---------|
| 3  | 0.00035 |
| 4  | 0.00029 |
| 5  | 0.00024 |
| 6  | 0.00020 |
| 7  | 0.00018 |
| 8  | 0.00015 |
| 9  | 0.00014 |
| 10 | 0.00012 |
| 11 | 0.00013 |
| 12 | 0.00015 |
| 13 | 0.00021 |
| 14 | 0.00028 |
| 15 | 0.00036 |
| 16 | 0.00045 |
| 17 | 0.00051 |
| 18 | 0.00053 |
| 19 | 0.00052 |
| 20 | 0.00052 |
| 21 | 0.00051 |
| 22 | 0.00052 |
| 23 | 0.00053 |
| 24 | 0.00055 |
| 25 | 0.00057 |
| 26 | 0.00059 |
| 27 | 0.00062 |
| 28 | 0.00066 |
| 29 | 0.00070 |
| 30 | 0.00074 |
| 31 | 0.00080 |
| 32 | 0.00085 |
| 33 | 0.00091 |
| 34 | 0.00096 |
| 35 | 0.00102 |
| 36 | 0.00111 |
| 37 | 0.00117 |
| 38 | 0.00124 |
| 39 | 0.00131 |
| 40 | 0.00139 |
| 41 | 0.00149 |
| 42 | 0.00160 |
| 43 | 0.00177 |
| 44 | 0.00196 |
| 45 | 0.00218 |
| 46 | 0.00243 |
| 47 | 0.00267 |
| 48 | 0.00292 |
| 49 | 0.00318 |
| 50 | 0.00347 |
| 51 | 0.00379 |
| 52 | 0.00417 |
| 53 | 0.00460 |
| 54 | 0.00509 |
| 55 | 0.00563 |
| 56 | 0.00619 |

|    |         |
|----|---------|
| 57 | 0.00680 |
| 58 | 0.00744 |
| 59 | 0.00811 |
| 60 | 0.00884 |
| 61 | 0.00964 |
| 62 | 0.01047 |
| 63 | 0.01136 |
| 64 | 0.01232 |
| 65 | 0.01334 |
| 66 | 0.01445 |
| 67 | 0.01568 |
| 68 | 0.01707 |
| 69 | 0.01862 |
| 70 | 0.02029 |
| 71 | 0.02211 |
| 72 | 0.02408 |
| 73 | 0.02621 |
| 74 | 0.02855 |
| 75 | 0.03111 |
| 76 | 0.03396 |
| 77 | 0.03715 |
| 78 | 0.04076 |
| 79 | 0.04481 |
| 80 | 0.04944 |
| 81 | 0.05474 |
| 82 | 0.06085 |
| 83 | 0.06799 |
| 84 | 0.07644 |

The 91 population table ended at attained age 84. To extend the table beyond age 84, the percentage increases in mortality from the US 1979-81 population table for ages above 84 were applied to the US 1991 population table. This resulted in the following mortality rates for ages 85+:

| Age | Male    | Female  |
|-----|---------|---------|
| 85  | 0.12536 | 0.08443 |
| 86  | 0.13526 | 0.09337 |
| 87  | 0.1453  | 0.10248 |
| 88  | 0.15524 | 0.11152 |
| 89  | 0.16535 | 0.12089 |
| 90  | 0.17607 | 0.13157 |
| 91  | 0.188   | 0.1438  |
| 92  | 0.20124 | 0.15669 |
| 93  | 0.21561 | 0.16965 |
| 94  | 0.23019 | 0.18261 |
| 95  | 0.24428 | 0.19585 |
| 96  | 0.25632 | 0.2084  |
| 97  | 0.26768 | 0.22042 |
| 98  | 0.27836 | 0.23185 |
| 99  | 0.28836 | 0.24267 |
| 100 | 0.29768 | 0.25287 |

# EXHIBIT C

**D. LEIGH HARRINGTON**

3906 Oakmont Court, Sugar Land, TX 77479

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**SUMMARY**

Life actuary with over 20 years experience in Product Development & Financial Reporting. Also has experience in Reinsurance pricing & Merger/Acquisition pricing and served as Chief Financial Actuary for 5 years. Created a product development department for a well known brokerage company on the west coast. Have worked closely with many well known marketing organizations in building and introducing tailored products for their organization.

**EXPERIENCE**

**AIG / American General Life Insurance**

*Vice President – Product Development*

1998-Present

Responsible for life product development for various U.S. distribution arms/profit centers within the AIG domestic operation. Design & price a wide variety of products. Negotiate reinsurance arrangements.

Areas of note:

- Have full responsibility for pricing and product support for term portfolio in the U.S. Developed first compliant ROP Term product for the US market. AIG/AG has moved from the #10 player to the #1 player in the market in the last 8 years (per LIMRA studies).
- Responsible for profits and pricing of Structured Settlement Annuity line of business. AIG is the #1 writer of Structured Settlements in the U.S. with over \$1.4 billion of new premium written annually.
- Developed proprietary products for specialty organizations.
- Have designed UL and VUL products (including last-to-die) for the Affluent Group Profit Center (PPGA distribution)

**Life Re**

*Vice President – Marketing Actuary*

1996-1997

Responsible for individual life reinsurance pricing in the United States. Included marketing efforts with major clients. Additional responsibilities included evaluating various acquisition targets and Admin Re opportunities.

**West Coast Life**

*Senior Vice President & Chief Actuary*

1991-1995

Responsible for all actuarial functions of the company. Hired to build a Product Development Department from scratch. Rebuilt existing Actuarial Department (financial). Appointed Actuary.

Transferred all actuarial functions from parent company (Nationwide Life) to West Coast Life. Parent company was a career agent mutual company whose products and structure were not transferable to a

## EXPERIENCE

### West Coast Life (cont.)

subsidiary dependent on brokerage distribution. Designed all new product portfolio for existing Brokerage Distribution group. Traveled extensively to conventions and agencies to introduce new portfolio to field force. 1991-1995

Chief Financial actuary. Responsible for Statutory and GAAP reporting. Presented results quarterly to Nationwide Life Board of Directors. Evaluated/priced several acquisition targets.

Also responsible for reinsurance arrangements and administration, compliance, etc.

### ING / Security Life of Denver

*Assistant Vice President – Product Development* 1985-1991

Responsible for building products to support sophisticated agency force (M Group) who ultimately wrote 50% of company's new business premium (as of 1991). Traveled to M Life and various M/MCG agencies extensively to meet with Chief Actuary and present various product designs/marketing concepts for the M Group.

Designed and developed company's PC based pricing system.

## EDUCATION

Fellow of the Society of Actuaries 1991

Member of the American Academy of Actuaries 1991

University of Nebraska – Lincoln 1982  
*M.S. in Actuarial Science (3.8)*

State University of New York – Buffalo 1980  
*B.A. in Statistics*  
*B.A. in Economics*

## INDUSTRY ACTIVITIES

Currently President of the Actuaries Club of the Southwest (ACSW) 2006

Elected to Society of Actuaries Reinsurance Section Council (Occupied seat reserved for direct writing companies) 2001-2003

Member of the XXX Task Force (Task Force was responsible for drafting the XXX regulation in support of the insurance industry) 1999-2000

Served on various SOA Committees (Program, E&E, etc). Have spoken at SOA meetings on a variety of Product Development topics.